



Oregon

Theodore Kulongoski, Governor

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July 16, 2008

Pat Prendergast
Pearl Block LLC
805 SW Broadway, #2070
Portland, OR 97205

Re: Conditional No Further Action Determination
Pearl Building – Hoyt Street Railyard
NW 9th & NW 10th Avenues, NW Kearney Walkway and NW Lovejoy Street
Portland, Oregon
State Tax ID #'s 1N1E34BC-300 and 1N1E34BC-400
ECSI # 4960

Dear Mr. Prendergast:

The Oregon Department of Environmental Quality (DEQ) reviewed the available site investigation information for the Pearl Building site. The Pearl Building was part of the larger Hoyt Street Railyard cleanup site. On February 8, 2002, DEQ issued a Stipulation and Consent Decree (Consent Order) with Burlington Northern and Santa Fe Railway Company (BNSF) to implement a Record of Decision (ROD) for the Hoyt Street Railyard. The Consent Order stated that the Pearl Block was not subject to its requirements, but that upon completion of work DEQ would determine whether measures taken achieved a level of protection consistent with the ROD.

Groundwater at the Hoyt Street Railyard is being investigated and remediated by BNSF on an area-wide basis in accordance with the ROD and Consent Order. Requirements under the ROD for soils in the area included:

- Excavation and treatment and/or landfill disposal of hot spot soils;
- Excavation, stabilization (as needed), and landfill disposal of TCLP-lead soil;
- Excavation of soil in utility corridors where concentrations exceed the construction worker RBCs in the upper 5 feet of soil;
- Capping the entire site with 2 to 3 feet of clean soil, buildings, pavement, or other site improvements; and,
- Institutional controls (including prohibition of groundwater use and maintenance of caps over areas of contaminated soil).

Between 2000 and 2003, as part of construction activities, soils at the site were excavated down to twelve feet below grade. Approximately 3,732 tons were removed from the site and thermally treated at TPS Technologies in Portland, Oregon. Approximately 6,133 tons were removed and

disposed of at the Hillsboro Landfill in Hillsboro, Oregon. The construction of the Pearl Block building and adjacent sidewalks established a cap over all portions of the site. Evaluation of site construction and contaminants remaining in soil indicated the only pathways of concern were Soil Direct Contact pathways for Construction and Excavation Workers. Concentrations of polynuclear aromatic hydrocarbons were present below the capping structures at levels in excess of Risk-Based Criteria for this pathway.

The DEQ reviewed the information for the site and summarized its findings in a File Memorandum dated February 25, 2008. The File Memorandum recommended a no further action (NFA) determination for the property subsequent to with the establishment of a deed restriction for cap disturbance and prohibition of groundwater use.

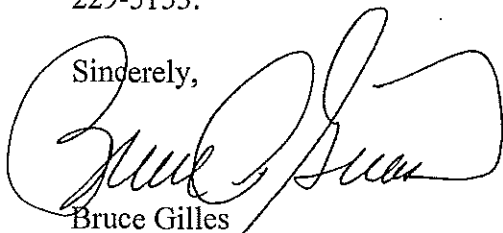
DEQ provided a public comment period from April 1 to April 30, 2008, to announce the proposed NFA determination. No comments were received by DEQ.

On June 26, 2008 an Easement and Equitable Servitude (EES) was filed with the Multnomah County Division of Assessment and Taxation for the Pearl Building site. The EES specified restrictions on disturbance of the site cap or underlying soils, and prohibited groundwater use without prior approval by the DEQ.

Based on our review of available site information, no further action is required for this site under the Oregon Environmental Cleanup law, ORS 465.200 et. seq., unless additional information becomes available that warrants further investigation. This NFA is conditional on the ongoing performance of site controls specified in the EES.

We will update the Environmental Cleanup Site Information System (ECSI) database to reflect this decision. If you have any questions about this letter, please contact Mike Greenburg at 503-229-5153.

Sincerely,



Bruce Gilles
Environmental Cleanup Program
Northwest Region

cc: Mike Greenburg, DEQ NWR Project Manager
Janelle Waggy, DEQ ECSI Coordinator, Gresham